

ARIZONA CORPORATION COMMISSION
UTILITIES DIVISION

RECEIVED

MAR 29 2004

ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES

ANNUAL REPORT MAILING LABEL – MAKE CHANGES AS NECESSARY

W-01790A
Saguaro Water Company
2200 East River Road, Ste.115
Tucson AZ 85718

ANNUAL REPORT

FOR YEAR ENDING

12	31	2003
-----------	-----------	-------------

FOR COMMISSION USE

Ann04	03
--------------	-----------

COMPANY INFORMATION

Company Name (Business Name) <u>Saguaro Water Company</u>			
Mailing Address <u>2200 E. River Road, Suite 115</u>			
(Street)			
<u>Tucson</u>	<u>AZ</u>	<u>85718</u>	
(City)	(State)	(Zip)	
<u>(520) 577-2616</u>	<u>(520) 299-5602</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
Local Office Mailing Address <u>2200 E. River Road, Suite 115</u>			
(Street)			
<u>Tucson</u>	<u>AZ</u>	<u>85718</u>	
(City)	(State)	(Zip)	
<u>(520) 577-2616</u>	<u>(520) 299-5602</u>		
Local Office Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

MANAGEMENT INFORMATION

Management Contact: <u>Diane Davis</u>			
Manager			
<u>2960 N. Swan Road, # 300</u>	<u>Tucson</u>	<u>AZ</u>	<u>85712</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 577-2616</u>	<u>(520) 319-6560</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			
On Site Manager <u>Chris Monson</u>			
(Name)			
<u>2960 N. Swan Road, # 300</u>	<u>Tucson</u>	<u>AZ</u>	<u>85712</u>
(Street)	(City)	(State)	(Zip)
<u>(520) 577-2616</u>	<u>(520) 319-6560</u>		
Telephone No. (Include Area Code)	Fax No. (Include Area Code)	Pager/Cell No. (Include Area Code)	
Email Address _____			

☐

Please mark this box if the above address(es) have changed or are updated since the last filing.

Statutory Agent: Robert Fortuno

(Name)

2200 E. River Road, Suite 115

Tucson

AZ

85718

(Street)

(City)

(State)

(Zip)

(520) 299-4610

(520) 299-2602

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

Attorney: Michael McNulty, Lewis and Roca

(Name)

1 S. Church Avenue, #700

Tucson

AZ

85701

(Street)

(City)

(State)

(Zip)

(520) 629-4453

(520) 879-4732

Telephone No. (Include Area Code)

Fax No. (Include Area Code)

Pager/Cell No. (Include Area Code)

☐ Please mark this box if the above address(es) have changed or are updated since the last filing.

OWNERSHIP INFORMATION

Check the following box that applies to your company:

☐ Sole Proprietor (S)

☒ C Corporation (C) (Other than Association/Co-op)

☐ Partnership (P)

☐ Subchapter S Corporation (Z)

☐ Bankruptcy (B)

☐ Association/Co-op (A)

☐ Receivership (R)

☐ Limited Liability Company

☐ Other (Describe) _____

COUNTIES SERVED

Check the box below for the county/ies in which you are certified to provide service:

APACHE

☐ GILA

☐ COCHISE

☐ COCONINO

☐ LA PAZ

☐ GRAHAM

☐ GREENLEE

☐ NAVAJO

☐ MARICOPA

☐ MOHAVE

☐ SANTA CRUZ

☒ PIMA

☐ PINAL

☐ STATEWIDE

☐ YAVAPAI

☐ YUMA

UTILITY PLANT IN SERVICE

Acct. No.	DESCRIPTION	Original Cost (OC)	Accumulated Depreciation (AD)	O.C.L.D. (OC less AD)
301	Organization Cost	29,256	27,692	1,564
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements			-
307	Wells and Springs	8,928	4,505	4,423
311	Electric Pumping Equipment	62,471	38,123	24,348
320	Water Treatment Equipment	25	25	-
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	565,802	78,323	487,479
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	1,077,196	198,168	879,028
333	Services	1,176	1,176	-
334	Meters and Meter Installations	49,794	10,281	39,513
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Equipment			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	250	250	-
	TOTALS	1,794,898	358,543	1,436,355

This amount goes on the Balance sheet Acct. No. 108

CALCULATION OF DEPRECIATION EXPENSE FOR CURRENT YEAR

Acct. No.	DESCRIPTION	Original Cost (1)	Depreciation Percentage (2)*	Depreciation Expense (1x2)
301	Organization Cost	29,256	5.00%	1,463
302	Franchise Cost			
303	Land and Land Rights			
304	Structures and Improvements			
307	Wells and Springs	8,928	5.00%	446
311	Electric Pumping Equipment	62,471	5.00%	3,124
320	Water Treatment Equipment	25	5.00%	-
320.1	Water Treatment Plants			
320.2	Solution Chemical Feeders			
330	Distribution Reservoirs and Standpipes	565,802	5.00%	22,201
330.1	Storage Tanks			
330.2	Pressure Tanks			
331	Transmission and Distribution Mains	1,077,196	5.00%	35,876
333	Services	1,176	5.00%	17
334	Meters and Meter Installations	49,794	5.00%	2,193
335	Hydrants			
336	Backflow Prevention Devices			
339	Other Plant and Misc. Equipment			
340	Office Furniture and Fixtures			
340.1	Computers and Software			
341	Transportation Equipment			
343	Tools and Work Equipment			
344	Laboratory Equipment			
345	Power Operated Equipment			
346	Communications Equipment			
347	Miscellaneous Equipment			
348	Other Tangible Plant	250	5.00%	-
	TOTALS	1,794,898		65,320

This amount goes on Comparative Statement of Income and Expense Acct No. 403.

* 1/2 year convention on depreciation (1/2 year depreciation on new assets, 1/2 year on retirements)

BALANCE SHEET

Acct. No.		BALANCE AT BEGINNING OF YEAR (RESTATED)*	BALANCE AT END OF YEAR
	ASSETS		
	CURRENT AND ACCRUED ASSETS		
131	Cash	\$ 25,582	\$ 34,303
134	Working Funds		
135	Temporary Cash Investments		
141	Customer Accounts Receivable	11,071	20,382
145	Accounts Receivable/Associated Companies	31,635	53,925
146	Notes/Receivables from Associated Companies		
151	Plant Materials & Supply Inventory		
162	Prepayments		3,839
174	Miscellaneous Current and Accrued Assets	217,278	322,278
	TOTAL CURRENT AND ACCRUED ASSETS	\$ 285,566	\$ 434,727
	FIXED ASSETS		
101	Utility Plant in Service	\$ 817,914	\$ 1,794,898
103	Property Held for Future Use	56,000	56,000
105	Construction Work in Progress		
108	Accumulated Depreciation - Utility Plant	(293,223)	(358,543)
121	Non-Utility Property		
122	Accumulated Depreciation - Utility Plant		
	TOTAL FIXED ASSETS	\$ 580,691	\$ 1,492,355
	TOTAL ASSETS	\$ 866,257	\$ 1,927,082

NOTE: The Assets on this page should be equal to **Total Liabilities and Capital** on the following page.

* Restated to correct Plant, Accumulated Depreciation, Advances in Aid of Construction, Meter Deposits, Accounts Receivable, Contributions in Aid of Construction, and Retained Earnings.

BALANCE SHEET (CONTINUED)

Acct. No.		BALANCE AT BEGINNING OF YEAR (RESTATED)*	BALANCE AT END OF YEAR
	LIABILITIES		
	CURRENT LIABILITIES		
231	Accounts Payable	\$ 5,415	\$ -
232	Notes Payable (Current Portion)		
234	Notes/Accounts Payable to Associated Companies		
235	Meter Deposits	21,171	46,841
236	Accrued Taxes	7,667	18,319
237	Accrued Interest		
241	Miscellaneous Current and Accrued Liabilities	111,199	178,202
	TOTAL CURRENT LIABILITIES	\$ 145,452	\$ 243,362
	LONG-TERM DEBT (Over 12 Months)		
224	Long-Term Notes and Bonds		
	DEFERRED CREDITS		
251	Unamortized Premium on Debt		
252	Advances in Aid of Construction	565,663	1,536,350
255	Accumulated Deferred Investment Tax Credits		
271	Gross Contributions in Aid of Construction		
272	Less: Amortization of Contributions		
281	Accumulated Deferred Income Taxes		
	TOTAL DEFERRED CREDITS	\$ 565,663	\$ 1,536,350
	TOTAL LIABILITIES	\$ 711,115	\$ 1,779,712
	CAPITAL ACCOUNTS		
201	Common Stock	\$ 102,100	\$ 102,100
211	Paid in Capital	281,327	281,327
215	Retained Earnings	(228,285)	(236,057)
218	Proprietary Capital (Sole Props. And Partnerships)		
	TOTAL CAPITAL	\$ 155,142	\$ 147,370
	TOTAL LIABILITIES AND CAPITAL	\$ 866,257	\$ 1,927,082

* Restated to correct Plant, Accumulated Depreciation, Advances in Aid of Construction, Meter Deposits, Accounts Receivable, Contributions in Aid of Construction, and Retained Earnings.

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

Acct. No.	OPERATING REVENUES	PRIOR YEAR	CURRENT YEAR
461	Metered Water Sales	\$ 157,879	\$ 215,000
460	Other Water Sales		
471	Other Operating Income		
	TOTAL REVENUES	\$ 157,879	\$ 215,000
	OPERATING EXPENSES		
601	Salaries and Wages		
610	Purchased Water		
615	Purchased Pumping Power	14,429	14,228
618	Chemicals		
620	Repairs and Maintenance	21,062	26,545
621	Office Supplies and Expense		150
630	Outside Services	20,118	78,612
635	Water Testing	3,575	3,630
641	Rents		2,000
650	Transportation Expense		
657	Insurance - General Liability	9,111	
659	Insurance - Health and Life		
666	Regulatory Commission Expense - Rate Case		
675	Miscellaneous Expenses	1,319	1,701
403	Depreciation Expense	26,203	65,320
408	Taxes other than Income	6,517	8,115
408.11	Property Tax	4,328	37
409	Income Tax	5,031	22,434
	TOTAL OPERATING EXPENSES	\$ 111,693	\$ 222,772
	OPERATING INCOME (LOSS)	\$ 46,186	\$ (7,772)
	OTHER INCOME/EXPENSE		
419	Interest and Dividend Income		
421	Non-Utility Income		
426	Miscellaneous Non-Utility Expenses		
427	Interest Expense		
	TOTAL OTHER INCOME (EXPENSE)	\$ -	\$ -
	NET INCOME (LOSS)	\$ 46,186	\$ (7,772)

SUPPLEMENTAL FINANCIAL DATA

Long-Term Debt

	LOAN #1	LOAN #2	LOAN #3	LOAN #4
Date Issued				
Source of Loan				
ACC Decision No.				
Reason for Loan				
Dollar Amount Issued	\$	\$	\$	\$
Amount Outstanding	\$	\$	\$	\$
Date of Maturity				
Interest Rate	%	%	%	%
Current Year Interest	\$	\$	\$	\$
Current Year Principle	\$	\$	\$	\$

Meter Deposit Balance at Test Year End \$46,841

Meter Deposits Refunded During the Test Year \$5,396

COMPANY NAME: Saguaro Water Company

WATER COMPANY PLANT DESCRIPTION

WELLS

ADWR ID Number*	Pump Horsepower	Pump Yield (gpm)	Casing Depth (Feet)	Casing Diameter (Inches)	Meter Size (inches)	Year Drilled
55-617996	50	330		10		1963
55-540941	30	160		12		1994

* Arizona Department of Water Resources Identification Number

OTHER WATER SOURCES

Name or Description	Capacity (gpm)	Gallons Purchased or Obtained (in thousands)

BOOSTER PUMPS		FIRE HYDRANTS	
Horsepower	Quantity	Quantity Standard	Quantity Other
15	1	107	
50	3		

STORAGE TANKS		PRESSURE TANKS	
Capacity	Quantity	Capacity	Quantity
500,000	1	5,000	5

COMPANY NAME: Saguaro Water Company

WATER COMPANY PLANT DESCRIPTION (CONTINUED)

MAINS

Size (in inches)	Material	Length (in feet)
2		
3		
4	PVC	14,510
5		
6	PVC	36,694
8	PVC	35,555
10		
12	Ductile Iron Pipe	21,915

CUSTOMER METERS

Size (in inches)	Quantity
5/8 X 3/4	270
3/4	6
1	45
1 1/2	
2	1
Comp. 3	
Turbo 3	
Comp. 4	
Tubo 4	
Comp. 6	
Tubo 6	

For the following three items, list the utility owned assets in each category.

TREATMENT EQUIPMENT: N/A

STRUCTURES: N/A

OTHER: N/A

Company Name: Saguaro Water Company

WATER USE DATA SHEET BY MONTH FOR CALENDAR YEAR 2003

MONTH	NUMBER OF CUSTOMERS	GALLONS SOLD	GALLONS PUMPED (Thousands)
JANUARY	216	1,737,886	1,898,275
FEBRUARY	213	1,326,701	1,488,275
MARCH	216	2,198,377	2,320,275
APRIL	225	2,984,013	3,686,275
MAY	239	2,887,512	3,541,275
JUNE	248	3,009,913	3,953,275
JULY	255	2,259,340	3,222,275
AUGUST	268	2,688,420	2,860,275
SEPTEMBER	301	2,910,915	3,205,275
OCTOBER	303	2,445,220	3,305,275
NOVEMBER	319	2,145,400	2,157,275
DECEMBER	335	2,112,150	2,646,275
TOTAL		28,705,847	34,284,300

Is the water utility located in an ADRW Active Management Area (AMA)?

☒ Yes ☐ No

Does the Company have an ADWR gallons per capita (GPCD) requirement?

☐ Yes ☒ No

If Yes, please provide the GPCD amount:

What is the level of arsenic for each well on your system.

North Well < 0.001

South Well < 0.001

Note: If you are filing for more than one system, please provide separate data sheets for each system.

COMPANY NAME: Saguaro Water Company YEAR ENDING 12/31/2003

PROPERTY TAXES

Amount of actual property taxes paid during Calendar Year 2003 was: \$2,191.47

Attach to this annual report proof (e.g. property tax bills stamped "paid in full" or copies of cancelled checks for property tax payments) of any and all property taxes paid during the calendar year.

If no property taxes paid, explain why. _____

COMPANY NAME: Saguaro Water Company

YEAR ENDING 12/31/2003

INCOME TAXES

For this reporting period, provide the following:

Federal Taxable Income Reported	<u>\$82,763</u>
Estimated or Actual Federal Tax Liability	<u>\$16,031</u>

State Taxable Income Reported	<u>\$88,957</u>
Estimated or Actual State Tax Liability	<u>\$6,194</u>

Amount of Grossed-Up Contributions/Advances:

Amount of Contributions/Advances	<u>\$0</u>
Amount of Gross-Up Tax Collected	<u>\$0</u>
Total Grossed-Up Contributions/Advances	<u>\$0</u>

Decision No. 55774 states, in part, that the utility will refund any excess gross-up funds collected at the close of the tax year when tax returns are completed. Pursuant to this Decision, if gross-up tax refunds are due to any Payer or if any gross-up tax refunds have already been made, attach the following information by Payer: name and amount of contribution/advance, the amount of gross-up tax collected, the amount of refund due to each Payer, and the date the Utility expects to make or has made the refund to the Payer.

CERTIFICATION

The undersigned hereby certifies that the Utility has refunded to Payers all gross-up tax refunds reported in the prior year's annual report. This certification is to be signed by the President or Chief Executive Officer, if a corporation; the managing general partner, if a partnership; the managing member, if a limited liability company or the sole proprietor, if a sole proprietorship.


SIGNATURE

March 25, 2004

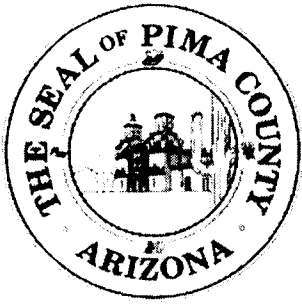
DATE

Chris Monson

PRINTED NAME

President

TITLE



Beth Ford

Pima County Treasurer

Parcel: 20574034B 7 Total Taxes: \$18.48 Tax Year: 2003 As of Date: 12/31/2003

CURRENT STATUS

PARCEL INFORMATION

First Half Second Half

Area Code: 2000

Tax Due: \$0.00 \$0.00

Date Paid: 11/03/2003

Method: CK

Tax Paid: \$18.48 \$0.00

Paid By: 01

Trans Type: A

Interest Paid: \$0.00 \$0.00

Taxpayer Name/Address:

SAGUARO WATER CO

DIANE DAVIS/MANAGER

2200 E RIVER RD #115

TUCSON AZ 85718

Property Address:

7866 S CAMINO LOMA ALTA

TAX DUE SUMMARY

	First Half	Second Half	Total Year
Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
		NSF Fees	\$0.00
		Reclaimed Refunds	\$0.00
		TOTAL AMOUNT DUE	\$0.00

Legal Description:

RINCON DESERT ESTATES S75' E75' N172.64'

LOT 34 TOTAL VALUE OF OPERATING PROPERTY-TAXPAYER

GROUP NO 311

HISTORY TAX ROLL CHANGE

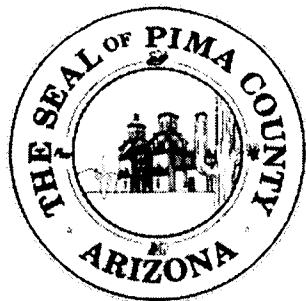
2002 \$18.62

2001 \$18.74

2000 \$18.78

1999 \$18.68

1998 \$19.00



Beth Ford

Pima County Treasurer

Parcel: 20574046E 9 Total Taxes: \$4,309.02 Tax Year: 2002 As of Date: 12/31/2003

CURRENT STATUS

First Half Second Half

Tax Due: \$0.00 \$0.00
Date Paid: 11/01/2002 04/17/2003
Method: CK CK
Tax Paid: \$2,154.51 \$2,154.51
Paid By: 01 01
Trans Type: A A
Interest Paid: \$0.00 \$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SAGUARO WATER CO
 DIANE DAVIS/MANAGER
 2200 E RIVER RD #115
 TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

First Half Second Half Total Year

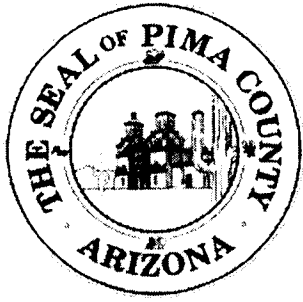
Taxes: \$0.00 \$0.00 \$0.00
Interest: \$0.00 \$0.00 \$0.00
 \$0.00 \$0.00 \$0.00
NSF Fees \$0.00
Reclaimed Refunds \$0.00
TOTAL AMOUNT DUE \$0.00

Legal Description:

RINCON DESERT ESTATES S50' OF N1838' OF E50'
 TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
 GROUP NO 311

HISTORY TAX ROLL CHANGE

2001 \$7,478.74
 2000 \$4,731.50
 1999 \$3,737.60
 1998 \$3,030.42
 1997 \$2,999.06



Beth Ford

Pima County Treasurer

Parcel: 20574046E 9 Total Taxes: \$18.48 Tax Year: 2003 As of Date: 12/31/2003

CURRENT STATUS

First Half Second Half

Tax Due: \$0.00 \$0.00
 Date Paid: 11/03/2003
 Method: CK
 Tax Paid: \$18.48 \$0.00
 Paid By: 01
 Trans Type: A
 Interest Paid: \$0.00 \$0.00

PARCEL INFORMATION

Area Code: 2000

Taxpayer Name/Address:

SAGUARO WATER CO
 DIANE DAVIS/MANAGER
 2200 E RIVER RD #115
 TUCSON AZ 85718

Property Address:

TAX DUE SUMMARY

First Half Second Half Total Year

Taxes:	\$0.00	\$0.00	\$0.00
Interest:	\$0.00	\$0.00	\$0.00
	\$0.00	\$0.00	\$0.00
	NSF Fees		\$0.00
	Reclaimed Refunds		\$0.00
	TOTAL AMOUNT DUE		\$0.00

Legal Description:

RINCON DESERT ESTATES S50' OF N1838' OF E50'
 TOTAL VALUE OF OPERATING PROPERTY - TAXPAYER
 GROUP NO 311

HISTORY TAX ROLL CHANGE

2002 \$4,309.02
 2001 \$7,478.74
 2000 \$4,731.50
 1999 \$3,737.60
 1998 \$3,030.42

RECEIVED

MAR 29 2004

VERIFICATION
AND
SWORN STATEMENT
Intrastate Revenues Only

Z CORPORATION COMMISSION
DIRECTOR OF UTILITIES

VERIFICATION

STATE OF Arizona

I, THE UNDERSIGNED

OF THE

COUNTY OF (COUNTY NAME)
Pima
NAME (OWNER OR OFFICIAL) TITLE
Chris Monson, President
COMPANY NAME
Saguaro Water Company

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT


IN ACCORDANCE WITH THE REQUIREMENT OF TITLE 40, ARTICLE 8, SECTION 40-401, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS DURING CALENDAR YEAR 2003 WAS:

Arizona Intrastate Gross Operating Revenues Only (\$)

\$ \$215,000

(THE AMOUNT IN BOX ABOVE
INCLUDES \$ 8,115
IN SALES TAXES BILLED, OR COLLECTED)

****REVENUE REPORTED ON THIS PAGE MUST INCLUDE SALES TAXES BILLED OR COLLECTED. IF FOR ANY OTHER REASON, THE REVENUE REPORTED ABOVE DOES NOT AGREE WITH TOTAL OPERATING REVENUES ELSEWHERE REPORTED, ATTACH THOSE STATEMENTS THAT RECONCILE THE DIFFERENCE. (EXPLAIN IN DETAIL)**


SIGNATURE OF OWNER OR OFFICIAL
(520) 577-2616
TELEPHONE NUMBER

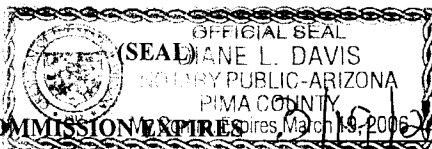
SUBSCRIBED AND SWORN TO BEFORE ME


A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS 25 DAY OF

COUNTY NAME	<u>Pima</u>
MONTH	<u>March</u>
	<u>2004</u>

MY COMMISSION EXPIRES March 19, 2006




SIGNATURE OF NOTARY PUBLIC

VERIFICATION
AND
SWORN STATEMENT
RESIDENTIAL REVENUE
INTRASTATE REVENUES ONLY

RECEIVED

MAR 29 2004

**ARIZONA CORPORATION COMMISSION
DIRECTOR OF UTILITIES**

VERIFICATION

STATE OF ARIZONA

I, THE UNDERSIGNED

OF THE

DO SAY THAT THIS ANNUAL UTILITY REPORT TO THE ARIZONA CORPORATION COMMISSION

FOR THE YEAR ENDING

COUNTY OF (COUNTY NAME) Pima	
NAME (OWNER OR OFFICIAL) Chris Monson	President
COMPANY NAME Saguaro Water Company	

MONTH	DAY	YEAR
12	31	2003

HAS BEEN PREPARED UNDER MY DIRECTION, FROM THE ORIGINAL BOOKS, PAPERS AND RECORDS OF SAID UTILITY; THAT I HAVE CAREFULLY EXAMINED THE SAME, AND DECLARE THE SAME TO BE A COMPLETE AND CORRECT STATEMENT OF BUSINESS AND AFFAIRS OF SAID UTILITY FOR THE PERIOD COVERED BY THIS REPORT IN RESPECT TO EACH AND EVERY MATTER AND THING SET FORTH, TO THE BEST OF MY KNOWLEDGE, INFORMATION AND BELIEF.

SWORN STATEMENT

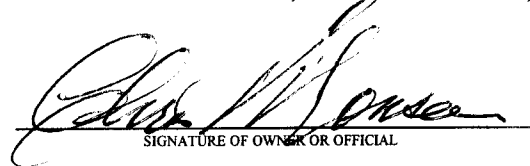
IN ACCORDANCE WITH THE REQUIREMENTS OF TITLE 40, ARTICLE 8, SECTION 40-401.01, ARIZONA REVISED STATUTES, IT IS HEREIN REPORTED THAT THE GROSS OPERATING REVENUE OF SAID UTILITY DERIVED FROM ARIZONA INTRASTATE UTILITY OPERATIONS RECEIVED FROM RESIDENTIAL CUSTOMERS DURING CALENDAR YEAR 2003 WAS:

ARIZONA INTRASTATE GROSS OPERATING REVENUES

\$ 215,000

(THE AMOUNT IN BOX AT LEFT
INCLUDES \$8,115
IN SALES TAXES BILLED, OR COLLECTED)

***RESIDENTIAL REVENUE REPORTED ON THIS PAGE
MUST INCLUDE SALES TAXES BILLED.**


SIGNATURE OF OWNER OR OFFICIAL

(520) 577-2616

TELEPHONE NUMBER

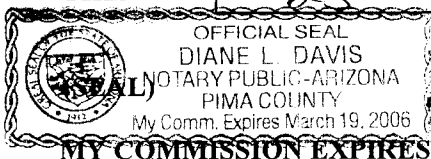
SUBSCRIBED AND SWORN TO BEFORE ME

A NOTARY PUBLIC IN AND FOR THE COUNTY OF

THIS

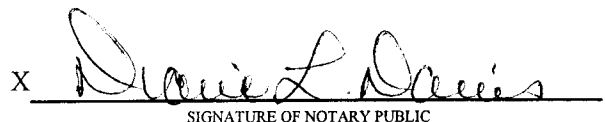
25

DAY OF



3/19/2006

NOTARY PUBLIC NAME Diane L. Davis	
COUNTY NAME Pima	
MONTH March	2004

X 
SIGNATURE OF NOTARY PUBLIC